



To the Mayor and Members of the City Council

April 12, 2016

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SUBJECT: FEBRUARY 2016 – SALES TAX UPDATE

Sales tax revenue represents approximately twenty-two percent (22%) of the City's General Fund anticipated revenue in Fiscal Year 2016. It is the second largest revenue source, with property tax being the largest. In addition, sales tax revenue represents the largest revenue source in the Crime Control and Prevention District Fund. Staff is committed to providing regular updates on this important and sometimes volatile revenue source. The Texas Comptroller's Office posted February 2016 (Fiscal Year 2016, Period 5) collection results on April 6th. Actual receipts are dependent upon the timeliness and accuracy of sales tax payers' returns. This report provides Fort Worth's sales tax collection compared to last year and the impact on the current year's budget.

FEBRUARY NET SALES TAX COLLECTIONS (10-YEAR HISTORY)



The City's net sales tax collection is up **\$617,935** or **6.8%**, compared to the same month last year. As depicted in the table below, the City experienced **\$488,309** or a **5.5%** increase when compared to last year's collections for the same month. Current period collections include only transactions that occurred within the month, so this number reflects pure economic activity.

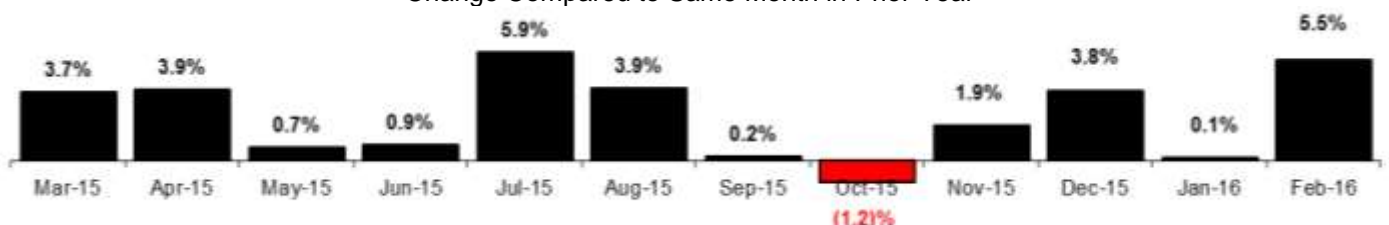
COLLECTION DETAIL FOR CITY SALES TAX

	February 15	February 16	Variance (\$)	Variance (%)
Current Period Collections	\$8,918,900	\$9,407,209	\$488,309	5.5% ↑
Other Collections	216,276	137,695	(78,581)	(36.3%)
Audit Collections	99,814	228,409	128,596	128.8%
Service Fee	(184,700)	(195,466)	(10,766)	(5.8%)
Retainage*	21,052	111,430	90,378	429.3%
Net Collections	\$9,071,342	\$9,689,277	\$617,935	6.8% ↑

* RETAINAGE AMOUNTS ARE ATTRIBUTED TO A PERCENTAGE OF SALES TAX COLLECTED BEING SET ASIDE TO COVER ANY REVERSALS THAT MIGHT OCCUR AFTER THE ALLOCATION. THE RETAINED AMOUNT GETS CARRIED FORWARD TO THE FOLLOWING MONTH AND APPEARS IN THE PRIOR RETAINED. THE CURRENT RETAINED AMOUNT IS SUBTRACTED FROM THE PRIOR RETAINED AMOUNT TO COME UP WITH THE RETAINAGE NUMBER PRESENTED IN THE TABLE ABOVE.

CURRENT PERIOD COLLECTIONS

Change Compared to Same Month in Prior Year





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The City's Sales Tax collections year-to-date are around $\pm 1\%$ of the budget year-to-date and are slightly less than 2% higher than the year-to-date total for the same period last year.

CITY OF FORT WORTH YTD NET COLLECTIONS COMPARISON

	Budget as of Period 5	Current Receipts Through Period 5	FY2015 Receipts Through Period 5
CITY OF FORT WORTH			
GENERAL FUND	\$54,171,796	\$54,943,663	\$53,870,409
CRIME CONTROL AND PREVENTION DISTRICT	25,990,941	25,954,814	25,467,108
TOTAL	\$80,162,737	\$80,898,477	\$79,337,517

CITY OF FORT WORTH FISCAL YEAR COMPARISON – FY2016

	Adopted Budget	Amended Budget	Fiscal Year Projections	Projected Variance to Amended (\$)	(%)
CITY OF FORT WORTH					
GENERAL FUND	\$135,065,427	\$135,065,427	\$135,065,427	\$0	0.0%
CRIME CONTROL AND PREVENTION DISTRICT	\$64,802,679	\$64,802,679	\$64,802,679	\$0	0.0%
FORT WORTH TRANSPORTATION AUTHORITY	\$67,857,000	\$67,857,000	\$67,857,000	\$0	0.0%

The City anticipates collecting **\$135,065,427** in the General Fund and **\$64,802,679** in the Crime Control and Prevention District Fund by fiscal year end, which matches original estimates in the FY2016 adopted budget.

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The chart below indicates how current year sales tax collections in Fort Worth and other select cities in the state compare to FY2016 collections for the same period.

**CITIES COMPARISON
FY2016 vs. FY2015**

City	1st Quarter	January	February	YTD
GRAND PRAIRIE	6.7%	18.3%	18.0%	10.7%
GARLAND	5.7%	10.8%	26.0%	10.1%
AUSTIN	4.3%	7.7%	8.3%	5.6%
MCKINNEY	6.4%	(12.2%)	15.4%	4.6%
ARLINGTON	3.7%	1.7%	10.4%	4.4%
DALLAS	2.2%	6.2%	7.8%	3.9%
IRVING	1.8%	5.8%	3.0%	2.7%
SAN ANTONIO	2.6%	0.6%	1.7%	2.1%
FORT WORTH	2.0%	(4.9%)	9.5%	2.0%
EL PASO	0.3%	5.0%	2.8%	1.6%
PLANO	(3.5%)	3.5%	(6.9%)	(2.9%)
FRISCO	(6.2%)	(5.4%)	(1.1%)	(5.2%)
HOUSTON	(5.7%)	(7.5%)	(2.5%)	(5.5%)
STATE TOTAL	(3.3%)	(3.9%)	(6.8%)	(4.1%)

Budget staff is currently compiling and analyzing historical sales tax data by industry. This analysis will be included in future sales tax update IR's.

If you have any questions, please call Aaron Bovos, Chief Financial Officer, at 817-392-8517.

David Cooke
City Manager